

This fact sheet provides information to help you understand the provisions of the Survivor Benefit Plan (SBP), but is not a contract document. The basic statutory provisions of the SBP law are in [Chapter 73, Title 10, United States Code](#).

Phased Elimination of SBP-DIC Offset

The National Defense Authorization Act for Fiscal Year 2020 modified the law that requires an offset of Survivor Benefit Plan payments for surviving spouses who are also entitled to Dependency and Indemnity Compensation, or DIC, from the Department of Veterans Affairs. Under the previous law, a surviving spouse who receives DIC is subject to a dollar-for-dollar reduction of SBP payments, which can result in SBP being either partially or fully offset. The repeal will phase-in the reduction of this offset beginning Jan. 1, 2021, and culminating with elimination of the offset in its entirety on Jan. 1, 2023.

For the remainder of calendar 2020, surviving spouses remain subject to the existing dollar-for-dollar offset of SBP payments by the amount of DIC paid by VA. After Jan. 1, 2021, survivors subject to the "SBP-DIC Offset" will potentially see a change in their SBP payments.

SBP-DIC offset will phase in the following way:

-- **In 2020**, surviving spouses will continue to have their SBP offset by the full amount of DIC they receive from the VA.

-- **In 2021**, SBP will be reduced by no more than two-thirds of the amount of DIC rather than by the entire amount of DIC, even though eligible surviving spouses will continue to receive the full amount of DIC.

-- **In 2022**, SBP will be reduced by no more than one-third of the amount of DIC received.

-- **In 2023**, the SBP-DIC offset will be eliminated in total, so that surviving spouses eligible for both programs will receive both SBP and DIC in full, effective Jan. 1 (paid as of Feb. 1).

The "Repeal of Authority for Optional Annuity for Dependent Children" and "Restoration of Eligibility for Previously Eligible Spouses" in the NDAA **only affect those spouses and children of service members who died on active duty or inactive duty** when the surviving spouse previously elected to transfer the SBP annuity to a child or children. They do not affect previous or future SBP elections by retirees or SBP annuities for a retiree's beneficiaries.

Key Points to keep in mind:

-- The most important action SBP annuitants can take at this time is to ensure your annuity account information is up-to-date and includes your correct mailing address so DFAS can contact you, if needed.

-- If you're not using myPay, set up a profile now and add your email address. Please note: only annuitants who are currently receiving an SBP or SSIA payment from DFAS can access myPay.

-- **Individual estimates** of the upcoming changes in spouse SBP annuity payments will not be provided. Please do not call DFAS Customer Care Center to request an individual estimate.

-- If you previously received a refund of SBP premiums paid due to the SBP-DIC offset, you will **not** need to pay back that refund because of this change in the law.

Stay abreast with all updates: <https://www.dfas.mil/RetiredMilitary/survivors/SBP-DIC-News/>